

CITY OF SAN DIEGO
M E M O R A N D U M

DATE: March 6, 2006

TO: Natural Resources and Culture Committee

FROM: Christine Ruess, Rate Analyst, Financing Services
via Ellie Oppenheim, Deputy Chief for Neighborhood Services

SUBJECT: Golf Operations Study

Please find attached a draft copy of the Operational Review and Recommendations for City of San Diego Golf Operations ("Study") prepared by National Golf Foundation Consulting, Inc. ("NGF"). Although this Study has not been finalized, in light of the recent discussions on golf issues and the scheduled meeting of the Natural Resources and Culture Committee this Wednesday, it may provide some useful information. The appendices will be available once the Study is finalized.

Financing Services engaged NGF for the Golf Division of the Park & Recreation Department to prepare this Study for the purpose of providing the Mayor, City Council, and potential investors, with the information needed to make informed decisions with respect to the adequacy of revenues to develop the Torrey Pines Clubhouse and related projects ("Project"). One of the fundamental objectives of the Study was to provide an independent evaluation as to whether the golf enterprise fund has the capacity to fund the Project while maintaining the overall golf course system in a market competitive condition. NGF was also tasked with making recommendations that would result in the optimal long-term operation of the City's golf facilities, while preserving or improving the quality of the assets and ensuring affordable access for San Diego residents.

The Study offers a number of recommendations for the operation of the golf facilities that the Park and Recreation Department will take into consideration as they move forward. In response to the concern regarding the adequacy of projected revenues to fund the clubhouse, NGF found that, assuming green fee increases are implemented at the general levels contemplated in the Five Year Business Plan, the golf enterprise fund will have sufficient revenues to carry out the Project, as well as the other CIP projects being contemplated, and sustain itself operationally.

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Please contact me at 619-235-5834 if you have any questions regarding the proposed financing plan of the Clubhouse or Mark Marney, Assistant Golf Operations Manager, at 858-552-1634 if you have any other questions regarding this Study.



Christine Ruess
Rate Analyst

Attachment

cc: Jerry Sanders, Mayor
Michael Aguirre, City Attorney
Jay Goldstone, Chief Financial Officer
Richard Haas, Deputy Chief for Public Works
Ted Medina, Park & Recreation Director
Mark Woodward, Golf Operations Manager
Mark Marney, Assistant Golf Operations Manager
Shannon Thomas, Deputy City Attorney
Robert Martinez, Deputy City Attorney
Andrea Tevlin, Independent Budget Analyst
Tom Haynes, Fiscal & Policy Analyst